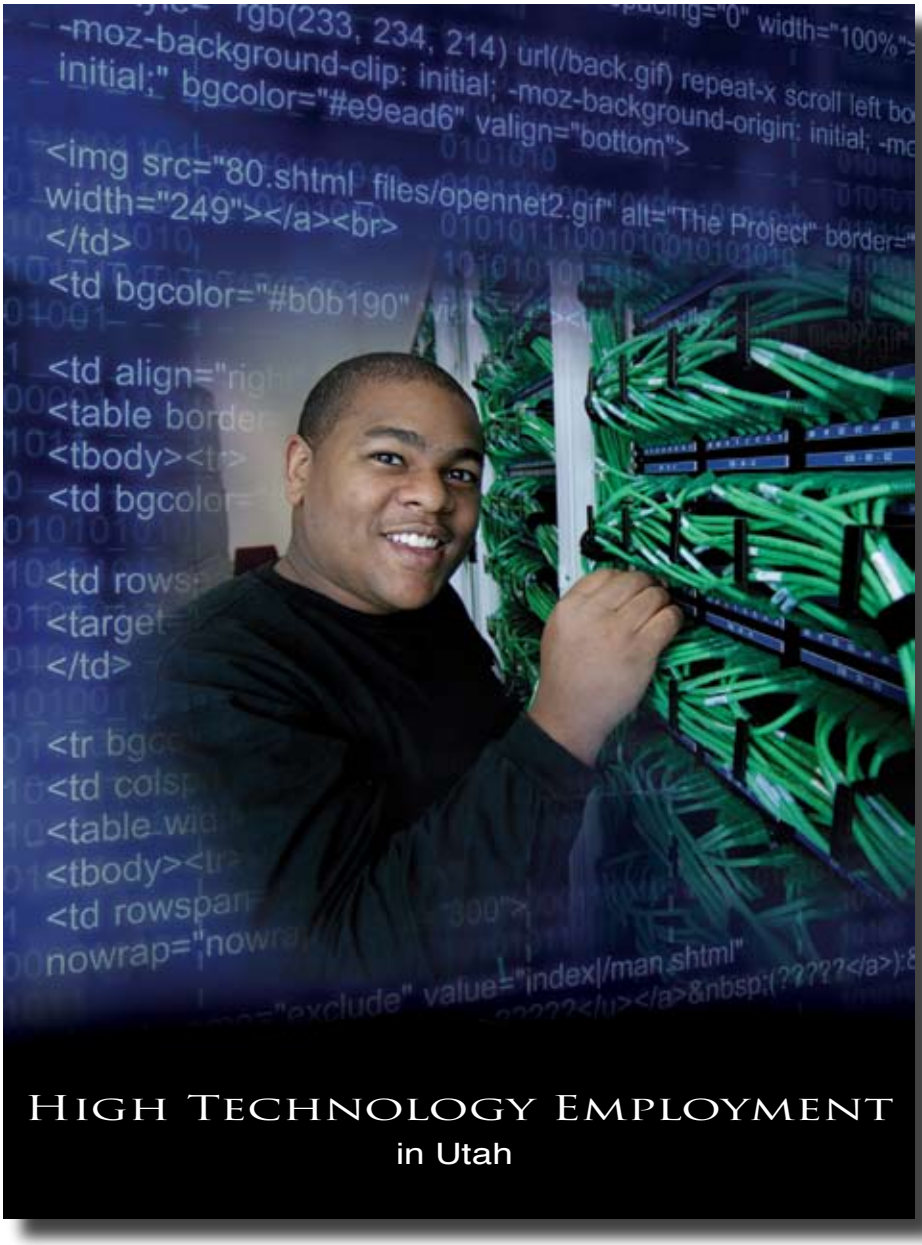


Utah's technology community is **growing** *but hasn't made a dynamic comeback yet...*

Let's take a look at the hybrid industry called high-technology. There is no NAICS code specific to high-technology. Utah's Governor's Council of Economic Advisors created a high-technology definition several years ago, and that is the definition employed here. Applying that yardstick, Utah's technology community—as measured by employment—is growing, but hasn't made a dynamic comeback yet from the employment losses experienced earlier this decade.

High-technology employment in Utah peaked in December 2000 at 67,700. Then followed what some call the "dot com" bust, and employment fell by 17 percent to 56,300 by March 2003, the business cycle's low point.* Thereafter, high-technology employment started its slow rebound, and as of the end of 2006 had risen to 65,000—just 4 percent below its previous December 2000 peak. However, even though the industry is growing, it still hasn't regained its overall position in the Utah economy. Whereas in December 2000 high-technology employment accounted for 6.1 percent of all Utah employment, it currently stands at 5.2 percent, the same share it had declined to by March 2003.

The largest high-technology industries in Utah are computer systems design, aerospace, medical equipment manufacturing, and software development. The overall Utah economy grew by 4.9 percent in December 2006. If we remove the high-technology portion of employment and recalculate state employment growth, it remains at 4.9 percent. This suggests that although high-technology employment is growing, it is largely treading water, keeping pace with the overall economic flow. It is currently not a leader within the Utah economy. That is currently being spearheaded by other industries.

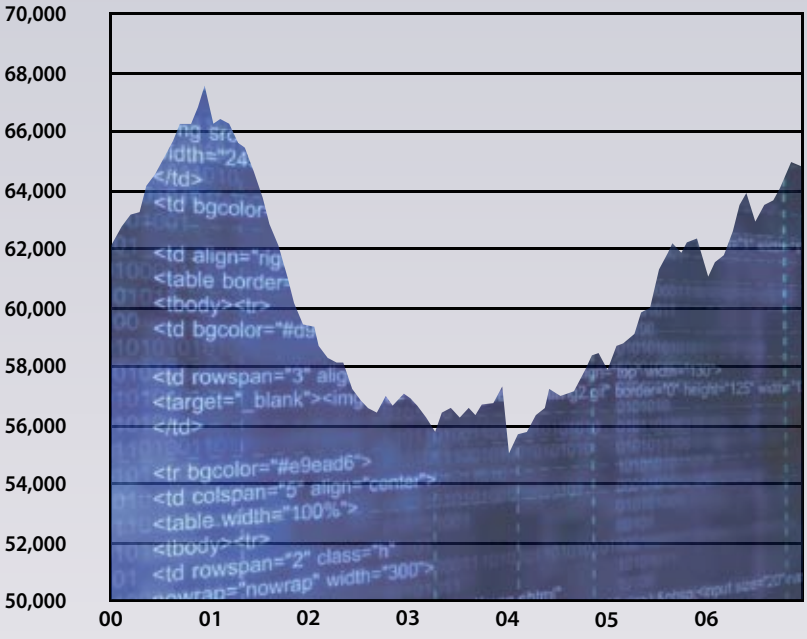
Males account for 70 percent of the high-technology labor force. Females do outnumber males in the medical equipment manufacturing sector, but that is the only area. Ignoring gender and looking instead at age distribution, it is largely a normal distribution with a slight bend towards the young. Looking at ten-year age groups, those 25 to 34 make up 29 percent of the labor force, the largest percentage within any ten-year age distribution.

**The employment low point on the graph is January 2004, but that reflects an accounting change and not a real employment loss as a large employer was reclassified out of a high-technology NAICS code and into another area.*

High-Technology Industries December 2006	Employment
High Technology Total	64,962
Computer Systems Design	13,982
Aerospace	8,054
Engineering Services	7,693
Medical Equipment Mfg.	7,594
Software	5,368
Physical, Engineering, Biological Research	4,106
Semiconductor Components Mfg.	3,601
Electrical Instrument Mfg.	3,379
Communicatons Equip. Mfg.	3,084
Internet Service Providers	2,826
Motion Picture Production	1,691
Testing Laboratories	1,251
Wireless Telecommunications	805
Computer Equip. Mfg.	605
Carbon Graphite Mfg.	508
Optical Lens Mfg.	152
Satellite Telecommunications	114
Other Telecommunications	82
Postproduction	42
In-Vitro Diaganostic Mfg.	25

Source: Governor's Council of Economic Advisors; Utah Department of Workforce Services

Utah High Technology Employment
January 2000 – December 2006



Source: Utah Department of Workforce Services

The largest high-technology industries in Utah are computer systems design, aerospace, medical equipment manufacturing, and software development.